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Internal Audit Services Branch

Audit of the Canada Student Loans Program

November 2013

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Canada

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EXECUTIVE SUMMARY

The Government of Canada recognizes that investment in post-secondary education is essential to help Canada's future and contribute to labour market competitiveness and economic prosperity. In support of this priority, Human Resources and Skills Development Canada (HRSDC) provides loans and grants through the Canada Student Loans Program (CSLP) to students who demonstrate financial need. The CSLP works with the provinces and territories and a third party Service Provider to help Canadians pursue post-secondary education. The CSLP is an important support to many Canadians as it provides the opportunity to develop knowledge and skills to participate in the economy and society.

Audit Objective

The objective of this engagement was to provide reasonable assurance that the management control framework for the CSLP is adequate to manage the loan portfolio throughout the student loan life cycle.

Summary of Key Findings

The CSLP operates within a complex environment with multiple service delivery partners. Overall, the management control framework for the CSLP is adequate and oversight is provided to manage the loan portfolio. The key findings of this audit are as follows:

- Oversight is provided through a comprehensive and collaborative governance structure that was established to govern the Service Provider and the series of integrated agreements to deliver the CSLP. An annual external attest audit was conducted in 2012 as part of the CSLP oversight which concluded that the design and implementation of third party controls were adequate. However, our audit noted the need for periodic testing for the internal CSLP privacy monitoring program and the use of data analytics for continuous monitoring to enhance the current oversight regime.
- Monitoring the performance of the portfolio consists of a Performance Management Framework, joint governance committees to review performance and an incentive plan to improve the loan default rate. Despite adverse economic conditions, the CSLP decreased the default rate from 16 to 14 percent in the past five years. The CSLP has a validation methodology in place for the incentive plan. However, one component of the plan, the default reduction target, is reviewed by the CSLP but a validation methodology should be developed. The CSLP also needs to streamline the reporting process to make better use of predictive analytics.
- Protected
- An Order in Council, effective in 2005, transferred the responsibility from HRSDC to the Canada Revenue Agency (CRA) to collect loans that are in default status. An agreement with CRA was established to collect the defaulted loans but it does not clearly define the roles and responsibilities for the unique needs of the CSLP.

Audit Conclusion

The CSLP has established a management control framework that is sufficient to manage the loan portfolio. Oversight for the management of the loan portfolio is in place. This audit report has provided observations and recommendations for further enhancing the performance of the loan portfolio.

Summary of Recommendations

The Assistant Deputy Minister (ADM) of Learning should:

- Enhance the oversight framework for third party controls.
- Streamline the reporting process and make better use of predictive analytics.
- Develop a validation methodology for the default reduction target component of the performance incentive scheme.
- Strengthen the access procedures for the internal loan information system.

The Chief Financial Officer (CFO) should:

- Negotiate a collections agreement that includes the CSLP requirements.
- Update the write-off process for bankruptcy related accounts.

1.0 BACKGROUND

The audit of the Management Control Framework for the CSLP was approved in the HRSDC 2012-2015 Risk-Based Internal Audit Plan. HRSDC promotes accessibility to post-secondary education for students with a demonstrated financial need by providing loans and grants through the CSLP. An estimated 4.7 million students have received over $384 billion[1] in loans since the CSLP was founded in 1964. In 2010-2011, HRSDC disbursed $2.2 billion in loans to more than 425,000 full-time students and more than 320,000 students received $630 million in grants.[2]

The Government of Canada directly finances student loans. The CSLP is administered by the federal government and nine participating provinces. The Government of Canada has entered into integration agreements with five provinces, known as the Integrated Provinces, for the harmonization and administration of the Federal and Provincial Student Loans Programs. The agreements were entered into with Ontario, Saskatchewan, Newfoundland and Labrador, New Brunswick and British Columbia.[3] Quebec, the Northwest Territories and Nunavut do not participate in the CSLP but receive alternative payments for the operation of their own programs. The CSLP directorate within the Learning Branch at HRSDC is responsible for the delivery and oversight of the Program. Appendix B presents highlights for the loan life cycle.

HRSDC has entered into a contract with a third party Service Provider to administer the day-to-day operations for the CSLP. This includes verifying loan agreements, managing the in-study interest-free period, handling loan repayment and counselling borrowers on their debt management options. Public Works and Government Services Canada (PWGSC) is the Contract Authority for the Service Provider contract, which is currently valued at $445 million.[4] CRA is a key partner and is responsible for the collection of direct loans in default status. The Chief Financial Officer Branch (CFOB) within HRSDC is responsible for the administration of accounts receivable for defaulted student loans and the management of the debt write-off process.

1.1 Context

In May 2007, the Office of the Auditor General (OAG) of Canada completed an audit of the Federal Loans and Grants for Post-Secondary Education-HRSDC and Canada Millennium Scholarship Foundation. The OAG audit concluded that with a few exceptions, the CSLP was well managed and had the necessary controls in place for disbursing loans and grants, and obtained reasonable assurance that its delivery partners were fulfilling their responsibilities.[5]

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[1] Canada Student Loans Program Statistical Review 2010-2011
[2] Canada Student Loans Program Annual Report 2010-2011
[3] The integrated student loans account for approximately 80 percent of the CSLP borrowers
[4] Contract Number: "G7462-040002/001/XQ", dated 21/12/2006, pertaining to the administration of the Canada Student Loans Program
[5] 2007 May Report of the Auditor General of Canada, Chapter 2

In 2008, the CSLP directorate embarked on a change agenda directed by the Government of Canada as a result of the Budget 2008 measures.[6] Budget 2008 supported Canadian students with an investment in loans and grants as well as a commitment to the modernization of the CSLP through enhanced service delivery. As such, the Program directorate has been working with the provinces, territory and the Service Provider on many large initiatives that involved significant automation to improve service delivery to students. The CSLP directorate manages significant modernization initiatives such as expanding services for electronic repayment assistance, a single student loan agreement for the lifetime of their studies, and an electronic confirmation of enrolment portal to improve service to borrowers. CSLP also introduced the Repayment Assistance Program which provides enhanced flexibility for those experiencing difficulty in repaying their loans.

In Budget 2011, the Government of Canada continued their investment in the CSLP with the introduction of new student financial assistance measures. Throughout this period of implementing the new initiatives, CSLP improved their internal processes by adopting a framework for prioritizing and managing projects with the Service Provider and applying the HRSDC investment management process for a more rigorous project monitoring approach. CSLP continues to work with the Service Provider to implement these new measures while delivering existing services.

The current contract with the Service Provider expires on March 31, 2015 with options to extend to 2018. The Department will engage with industry to explore options for alternative business models and will target issuing the resulting Request for Proposal for a new Service Provider contract(s) by 2014.

1.2 Scope and Strategy

The scope of the audit was limited to the management control framework within the CSLP directorate. Oversight for the management of the loan portfolio was assessed. The audit activities covered the student loan-years of August 1, 2010 to July 31, 2012.

Canada Student Loans activities conducted by the provinces and territory were excluded from the audit.

1.3 Audit Objective

The objective of this engagement was to provide reasonable assurance that the management control framework for the CSLP is adequate to manage the loan portfolio throughout the student loan life cycle.

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[6] Budget 2008, Department of Finance, Canada

1.4 Methodology

This audit used a number of methodologies including:

- Interviews with management and staff including both internal and external stakeholders.
- Documentation review and analysis.
- Process observation: On-site visit and walkthrough of the loan process.
- Data analysis and follow-up.

The audit team visited the Service Provider in order to understand the operational environment. Other stakeholders that were interviewed included CFOB, PWGSC and CRA.

2.0 AUDIT FINDINGS

2.1 An oversight framework is in place but enhancements to the monitoring activities are needed

The majority of the loan life cycle controls for the delivery of the loans and grants reside with the Service Provider's systems and business processes as the Service Provider is responsible for managing the day-to-day operations for the CSLP. Our audit expected the CSLP directorate to provide oversight to monitor the Service Provider's key controls and verify that contractual responsibilities are being met.

Our audit observed that the CSLP directorate has developed an oversight framework to obtain reasonable assurance that the Service Provider is fulfilling their contractual responsibilities. The oversight consists of the following key elements.

Governance Structure

A key element of the CSLP oversight is the governance structure that includes all delivery partners. CSLP has established joint committees and working groups with the provinces, territory and Service Provider. A Joint Planning Committee (JPC) was established to provide strategic direction and guidance to oversee the delivery of services. The JPC monitors progress of key service delivery outcomes to support operational success of the Service Provider in delivering the requirements of the contract. The JPC also serves as a forum for joint issue resolution and decision making among CSLP management, the PWGSC Contract Authority and Service Provider management. The governance structure allows the CSLP to work collaboratively with its delivery partners to implement the modernization agenda and address ongoing Program issues and operational needs.

Annual Audits

A key oversight activity is the external annual attest audit to assess the design and implementation of the effectiveness of the Service Provider's operations. The audit is extensive and consists of approximately 4,000 hours of effort. The audit covers controls over the segregation of duties, loan process controls and general computer controls. The audit is conducted in accordance with generally accepted auditing standards and provides an external opinion. As a result, our audit was able to rely on the external attest audit results. The attest audit opinion issued by an independent firm in 2012 concluded that the design and implementation of the third party controls were adequate. CSLP has provided oversight for any recommendations to be implemented by the Service Provider from previous audit reports. In addition, the CSLP directorate obtained an independent review of the audit universe in 2012.

CSLP is responsible for assessing privacy compliance in relation to the Service Provider contract. As stipulated in the third party contract, the Service Provider has implemented a privacy framework which consists of a corporate privacy policy, a dedicated corporate privacy and security office, privacy awareness posters on operational floors, annual privacy training for staff, and a threat risk assessment of their operations. In addition, the CSLP directorate has implemented a comprehensive Privacy Breach Guideline in 2009 that outlines the process to be carried out when a

privacy incident occurs. As part of this process, the Service Provider presents a quarterly Privacy Update report to the JPC to identify incidents and mitigation strategies to address issues. CSLP also addresses any privacy issues with the Service Provider on an ongoing basis through operational meetings.

Until 2005-2006, privacy compliance was a component of the annual attest audit performed by the external firm. Privacy was reviewed as a part of the audit standard as required by the Canadian Institute of Chartered Accountants (CICA). In 2006, CICA introduced new audit standards to align Canadian and American standards. At that time, CSLP in consultation with the Integrated Provinces, decided to perform internal monitoring of the Service Provider's privacy policies and processes with the intent to meet the external audit requirements. However, our audit observed that the monitoring program did not apply the same testing procedures as the external audit requirements. For example, the CSLP monitoring program consists of a checklist to assess whether the Service Provider has privacy policies and procedures in place but is not supported with a testing methodology. The monitoring program has not been consistently conducted on an annual basis. Also, the Service Provider is accountable to have privacy controls in place and is responsible for the protection of information held by their sub-contractors. As part of the CSLP monitoring program, the sub-contractors provided attestation statements for the protection of information to the Service Provider but this practice was discontinued in 2011. Without periodic testing, CSLP cannot assess whether the controls over privacy established by the Service Provider are adequate. The CSLP directorate was apprised during the audit and took immediate action to initiate a revision of the external audit requirements.

As the Contract Authority, PWGSC is responsible to conduct an annual security compliance audit of the Service Provider's facilities and document safeguarding. In 2012 PWGSC concluded that the Service Provider holds the appropriate level of document safeguarding capability. As part of the oversight approach, CSLP places reliance on the security monitoring activities conducted by PWGSC in accordance with the existing contract.

The annual external attest audit also provides assurance on the management of the CSLP and the Integrated Loans Program as administered by the Service Provider. A separate audit report provides an opinion on the compliance for each Integrated Province and the Government of Canada. The audit reports are sent to the Provinces and CSLP provides oversight for any recommendations to be implemented by the Service Provider.

Post Account Verification Process

In order to support oversight for the financial management of loans, the CSLP directorate implemented a Post Account Verification (PAV) process to test and monitor core financial transactions such as disbursements, receipts, deposits and consolidations performed by the Service Provider to detect processing errors. However, the testing methodology used for PAV was based on risks that existed at the time of the original design of the PAV. The error rates from the testing have been historically low. Our audit observed that the CSLP directorate obtained an independent review in 2012 to assess the effectiveness of the CSLP audit universe and identify possible efficiencies. A key recommendation was to restructure and refocus the PAV testing. At the time of our audit, CSLP developed the conceptual model for a revised PAV. The intent is to modernize the PAV testing approach and re-evaluate it annually to direct the testing to areas of risk to the portfolio.

Although attest audits provide meaningful results, the inherent limitations may prevent the detection of some errors and omissions in testing transactions. As an enhancement to the audit regime, continuous monitoring of transactions using data analytics could be conducted to detect anomalies and to proactively look for potential warning signs. For example, computer routines could be used to monitor unusual cases such as Protected These cases would be assessed to determine if they are legitimate or warrant further investigation. Continuous monitoring is currently not part of the oversight approach but the CSLP directorate and the Service Provider investigate any reported cases, either internal or external, of potential abuse or fraud.

Recommendation

The ADM of Learning should:

1) Enhance the oversight framework for third party controls and make adjustments to the monitoring program to address the most significant portfolio risks.

Management Response

The ADM of Learning agrees with the recommendation, and the CSLP has already undertaken a number of activities to enhance the oversight framework, including implementation of a restructured post account verification process. Estimated completion date is June 2014.

2.2 Performance of the loan portfolio is monitored but streamlining the reporting process is needed to enhance the use of predictive analytics

The performance monitoring of the loan portfolio contributes to the integrity of the CSLP. Our audit expected that the CSLP directorate monitors the performance of the loan portfolio to assess whether performance objectives are met and to continuously improve results.

As an essential part of the loan portfolio performance monitoring, the CSLP directorate developed a draft Performance Measurement Framework in 2012 which focussed on policy development and analysis of trends. The monitoring results are reported in the Departmental Performance Report, the Report on Plans and Priorities and the CSLP Annual Report.

The CSLP directorate works in partnership with the Service Provider to address challenges and resolve issues related to the integrity and performance of the loan portfolio. As a key governance committee, the JPC provides accountability by monitoring progress on contract responsibilities and the Service Provider's performance. The JPC reviews regular performance reports submitted by the Service Provider and monitors the loan portfolio by reviewing the financial data, status of

approved projects, regular updates on portfolio performance and results from the borrower satisfaction surveys. In addition, the CSLP directorate receives a monthly operations summary report, a monthly financial information schedule, and repayment analysis reports that include trends, multiple statistics and year-to-date comparisons. The current reporting is comprehensive and contains vast amounts of data analysis. Over time CSLP has increased the reporting requirements from the Service Provider resulting in some duplicate requests for information across the Directorate. The Program acknowledged that they need to streamline the reporting process and make better use of predictive analytics that will allow them to better monitor key indicators and trends.

The CSLP directorate developed the Annual Strategic Incentive Plan (ASIP) as a dynamic component of the contract to encourage the Service Provider to continuously improve repayment strategies and to reduce the loan default rate. The Performance Incentive Review Board was established with responsibility for issuing and approving the annual objectives and contract incentives for the Service Provider. Despite cyclical adverse economic conditions, the CSLP worked collaboratively with the Service Provider to reduce the default rate from 16 to 14 percent in the past five years. The CSLP has a validation approach in place for the ASIP. However, our audit observed that one component of the performance incentive validation approach, the default reduction target, relies on data provided by the Service Provider. The CSLP directorate reviews the calculation for the incentive claimed by the Service Provider but a methodology needs to be developed to validate the claim. In addition, the CSLP directorate initiated its first validation of the incentive paid for the Program service standards in 2012. Our audit observed that the Service Provider had not been informed of the assessment criteria.

Recommendation

The ADM of Learning should:

2) Streamline the reporting process and make better use of predictive analytics.

Management Response

The ADM of Learning agrees with the recommendation, and the CSLP currently utilizes predictive analytics as a key tool to assist in improving delinquency and default rates for Canada Student Loan borrowers.

Efforts will also be made to identify opportunities to streamline reporting, and better leverage predictive analytics, and ensure that these opportunities are captured in the re-procurement process. Estimated completion date is March 2016.

Recommendation

The ADM of Learning should:

3) Develop a validation methodology for the default reduction target component of the performance incentive plan and communicate the assessment criteria to the Service Provider.

Management Response

The ADM of Learning agrees with this recommendation, and the CSLP will develop a new validation methodology for the default reduction target component of the incentive plan as part of the procurement of a new Service Provider contract. In addition, the CSLP will ensure that the current Service Provider is aware of all assessment criteria associated with the ASIP. Estimated completion date is March 2016.

2.3 Access procedures for the internal loan information system need to be strengthened

The use of passwords to access information systems is an essential element to protect information. Our audit expected that a process was in place to provide secure user access to the internal CSLP information system. The Canada Student Loans System (CSLS) is owned by the CSLP directorate for the purpose of maintaining data related to the disbursements of the federal portion for loans and grants. Our audit observed that Protected

Recommendation

The ADM of Learning should:

4) Strengthen the access procedures for the CSLS.

Management Response

The ADM of Learning agrees with this recommendation. Progress is well underway and the CSLP is working in partnership with internal stakeholders to implement a number of key changes to strengthen the access procedures for the CSLS in alignment with departmental guidelines. Estimated completion date is January 2014.

2.4 The agreement with CRA for the collections of defaulted student loans does not address the unique needs of the CSLP

The collection of debts owed for student loans in default is a key element of accountability for the Program. Our audit expected that the agreement for the collections of defaulted loans between HRSDC and CRA is clearly defined and performance targets are agreed upon to minimize the write-off of loans.

In August 2005 an Order in Council transferred the powers, duties and functions relating to the collection of CSLP debts from the Minister of Human Resources and Skills Development to the Minister of National Revenue. A Memorandum of Understanding (MOU) was developed to identify the roles and responsibilities of the parties to govern the collection of debts. CRA became responsible for the collections and the associated litigation activities on loan debts for the CSLP. HRSDC retained responsibility for overall Program accountability and accounts receivable.

CRA reported that the defaulted loans represented the largest proportion of the HRSDC accounts receivable in 2011-2012. The accounts receivable were $2.3 billion and accounted for 73 percent of the CRA debt collections workload in HRSDC.[7] CRA also reported that they exceeded their collections objective by five percent.[8] However, the collections objective was established by CRA. Without joint performance objectives established by both the CSLP and CRA, HRSDC cannot maintain accountability for the overall performance of the collections as specified in the MOU.

Based on our assessment of the current MOU, our audit observed that it does not clearly define roles and responsibilities for the collections for HRSDC and CRA. The MOU is brief and very general and does not address the CSLP's requirements for the collection of defaulted loans. In a department-wide consultation process initiated in 2011, CSLP identified that the unique nature of the Program may not be suitable for the current collections model. Our audit observed that there are unresolved challenges for managing the loan collections activities that were not defined in the MOU. The CSLP directorate identified the need to receive timely forecasts from CRA to establish the annual bad debt expense for loans. Protected For example, in 2012-2013 CRA recommended to HRSDC a write-off of $231 million in direct loans. Protected

Our audit also observed that the MOU does not address the responsibility and authority for the management of bankruptcy related events (BREs) for borrower accounts that are in bankruptcy proceedings but have not defaulted on their loan. These BRE accounts are managed by CRA but the loan activities are managed by the Service Provider. These accounts remain with the Service Provider and are not transferred to HRSDC due to departmental system compatibility issues. CRA does not have a direct interface to the Service Provider's system and has to document the BRE accounts' proceedings in a separate database. As a result, the BRE accounts that were confirmed with an absolute order of discharge cannot proceed for write-off through automated systems. As at the end of February 2013, there were 12,866 BRE loans held by the Service Provider with a total value of $145 million. Of these BRE accounts,

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[7] Annual Report 2011-2012 Accounts Receivable Government Programs, Canada Revenue Agency, page 4
[8] Annual Report 2011-2012 Accounts Receivable Government Programs, Canada Revenue Agency, page 3

1,245 accounts representing $5 million have received an absolute order of discharge but cannot proceed for write-off as they have not been transferred to HRSDC.

In 2011, the CFOB initiated the negotiation of a new MOU with intended completion in 2013. Within the context of any limitations of the negotiation process, the new MOU should address the challenges identified above.

Recommendation

The CFO, in consultation with the ADM of Learning, should:

5) Negotiate a new MOU that will include detailed roles and responsibilities between CSLP and CRA, specific collections requirements for the CSLP, joint collection objectives established by the CSLP and CRA, and clearly define authorities and responsibilities for the BRE issues

Management Response

CFOB agrees with the recommendation.

a) CFOB is leading the development of a new HRSDC MOU with CRA on Collection Services, which will cover all programs including CSLP. This new MOU will include detailed roles and responsibilities for CRA and HRSDC as well as collection requirements. The MOU is estimated to be approved by December 2013.
b) CFOB is also actively engaged with CSLP in identifying and exploring sustainable management solutions for accounts affected by BREs. This work is estimated to be completed by March 2014.

Recommendation

The CFO, in consultation with the ADM of Learning, should:

6) Update the write-off process for the BRE accounts.

Management Response

CFOB agrees that the BRE accounts write-off process needs to be updated.

CFOB, in partnership with CSLP, has developed and implemented a temporary manual solution for processing BRE accounts until such time an integrated system solution can be implemented. Together, CFOB and CSLP will also explore and develop sustainable long term BRE processing options, which are estimated to be completed by April 2014.

3.0 CONCLUSION

The CSLP has established a management control framework that is sufficient to manage the loan portfolio. Oversight for the management of the loan portfolio is in place. This audit report has provided observations and recommendations for further enhancing the performance of the loan portfolio.

4.0 STATEMENT OF ASSURANCE

In our professional judgement, sufficient and appropriate audit procedures were performed and evidence gathered to support the accuracy of the conclusions reached and contained in this report. The conclusions were based on observations and analyses at the time of our audit. The conclusions are applicable only for the oversight framework within the CSLP. The evidence was gathered in accordance with the *Internal Auditing Standards for the Government of Canada* and the *International Standards for the Professional Practice of Internal Auditing*.

APPENDIX A: Glossary

ADM	Assistant Deputy Minister
ASIP	Annual Strategic Incentive Plan
BRE	Bankruptcy Related Events
CICA	Canadian Institute of Chartered Accountants
CFO	Chief Financial Officer
CFOB	Chief Financial Officer Branch
CRA	Canada Revenue Agency
CSLP	Canada Student Loans Program
CSLS	Canada Student Loans System
HRSDC	Human Resources and Skills Development Canada
JPC	Joint Planning Committee
MOU	Memorandum of Understanding
OAG	Office of the Auditor General of Canada
PAV	Post-Account Verification
PWGSC	Public Works and Government Services Canada

APPENDIX B: Canada Student Loans Life Cycle

CSLP Service Delivery Partners	Loan Life Cycle
Provinces and Territory	**Application/Eligibility and Needs Assessment** • Students submit their loan application to the province and territories • Participating provinces and territory have been delegated the authority to assess the eligibility for the loans and grants • Eligibility is assessed for a federal loan and a provincial loan at the same time, as well as grants • Loan certificates are issued and educational institutions are informed
Service Provider and CSLP	**Loan Disbursement** • Service Provider processes applications and sends payment request to CSLP • CSLP certified the payments and PWGSC disburses the funds
	In-study Account Management • Service Provider manages the accounts from disbursement of the loan to repayment • Service Provider operates the National Student Loans Service Centre to serve borrowers throughout each phase of the loan cycle
	Loan Consolidation and Debt Repayment • Students are required to begin repaying their loan six months after completion of their studies • Interest does not accrue on the loan while the borrower is in school • Service Provider manages the loan repayment for the first 270 days • Service Provider makes attempts to collect loans from borrowers who do not begin repayment • Based on CSLP repayment assistance measures, the Service Provider can offer interest relief for a specified period of time, a revision of terms, and debt reduction for qualifying borrowers • Loans that are in arrears for 270 days are returned by the Service Provider to the CSLP
CRA and CFOB	**Debt Collection** • Loans in arrears for more than 270 days are considered in default • Defaulted loans are sent to CRA for collection • CFOB is responsible to administer the accounts receivable on loans in default • CFOB manages the process for debt write-off of defaulted loans

APPENDIX C: Audit Criteria Assessment

Audit Criteria It is expected that:	Rating
1.1 A governance framework provides clearly defined roles, responsibilities, and accountabilities, which are communicated to key delivery partners.	✪
1.2 Agreements ensure that program accountabilities by key partners in support of collaborative initiatives are formally defined and implemented as agreed upon.	●
1.3 Oversight is established to monitor the loan portfolio limit in accordance with the Canada Student Financial Assistance Act and the Regulations.	●
2.1 Management assesses the mix of controls in place to ensure the continued integrity of the loan portfolio and makes appropriate adjustments.	◘
2.2 Formal and secure communication mechanisms exist to support timely and reliable information sharing with delivery partners.	●
2.3 Strategies for the repayment of loans are effective to minimize the default of loans.	◘
2.4 Agreements for the collection activities for defaulted loans are clearly defined to minimize the write-off of loans.	◘
3.1 Oversight is in place to monitor privacy requirements for the protection of information.	◘
3.2 A process is in place to establish and monitor user access to the CSLP information system.	◘
3.3 A process is in place to provide sufficient, accurate and timely reporting on the performance of the loan portfolio in order to support ongoing improvement.	◘
4.1 The existing performance measurement framework is appropriate to monitor the loan portfolio lifecycle.	◘
4.2 Key performance indicators are established, tracked and monitored for third party contracts.	●
4.3 Performance results are used to improve and streamline the loan portfolio processes and incorporate lessons learned for third party contracts.	◘

✪ = Best practice
● = Sufficiently controlled, low risk exposure
◘ = Controlled but should be strengthened, medium risk exposure
○ = Missing key controls, high risk exposure